



Effective June 27, 2024

CITY OF CAPITOLA Department Heads Compensation and Benefits Plan

PURPOSE AND INTENT

This Compensation and Benefits Plan (Plan) is intended to establish compensation, benefits and terms and conditions of employment for Department Heads and the Chief of Police. The City Manager has the authority to hire Department Heads and the Chief of Police, and to adjust their compensation consistent with this Plan. Department Heads are exempt from the Fair Labor Standards Act (FLSA), at will employees, serve at the pleasure of the City Manager and can be terminated with or without notice or cause and with no rights of appeal.

1) POSITIONS COVERED BY PLAN

- a. Chief of Police
- b. Community Development Director
- c. Community Services & Recreation Director
- d. Finance Director
- e. Public Works Director

2) SALARY SCHEDULE

- a. Cost of Living Adjustments shall be as follows:
 - i. Effective first full pay period after June 27, 2024, the salary range for each classification shall be increased by 3%
 - ii. Effective the first full pay period of July 2025, the salary range for each classification shall be increased by 3%
 - iii. Effective the first full pay period of July 2026, the salary range for each classification shall be increased by 3%
- b. Equity Salary Adjustments – *contingent on the City tax measure passing in November 2024*: If the City tax measure on the November 2024 ballot passes, the salary range for the following classifications shall be increased by the following amounts. Increases shall be effective the first pay period after City Council certification of the 2024 election results.
 - i. Community Development, Community Services & Recreation, Finance, and Public Works Directors: 8.75%
 - ii. Chief of Police: 4.3%

3) LONGEVITY PAY – *contingent on the City tax measure passing in November 2024*

- a. If the City tax measure on the November 2024 ballot passes, the following longevity schedule will apply to the Community Development, Community Services & Recreation, Finance, and Public Works Directors:
 - i. 10 years' continuous service – 5%

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- ii. 15 years' continuous service – additional 3%, which shall be compounded with the 10-year recognition
 - iii. 20 years' continuous service – additional 2%, which shall be compounded with the 15-year recognition
- b. If the City tax measure on the November 2024 ballot does not pass, the following longevity schedule for the Community Development, Community Services & Recreation, Finance, and Public Works Directors will remain in place:
- 12 years' continuous service – 5%
- 4) POLICE CHIEF CALIFORNIA LAW ENFORCEMENT EXPERIENCE PAY – *contingent on the City tax measure passing in November 2024*

The Chief of Police shall receive a 5% salary adjustment upon completion of 10-years of service as a POST-certified Peace Officer in California, and a 2.5% salary adjustment upon completion of 15-years of service as a POST-certified Peace Officer in California. This provision shall apply to applicants for the Chief of Police position.

- 5) CITY ENGINEER SPECIALTY PAY – *contingent on the City tax measure passing in November 2024*

The Public Works Director shall receive a 5% salary adjustment if they have the appropriate qualifications for and do serve as City Engineer. This provision shall apply to applicants for the Public Works Director position.

- 6) BILINGUAL PAY

Department Heads proficient in a second language will qualify for a 5% salary adjustment, dependent upon City Manager approval.

- 7) SEVERANCE PAY

If a Department Head is terminated by the City Manager, the City will pay the Department Head an amount equal to four months salary and four months Flexible Spending Arrangement Contribution benefits. Additionally, the Department Head will receive payment for all vacation leave accrued to the date of separation. The same terms apply to the Chief of Police, except that severance shall be six months' salary and Flexible Spending Arrangement Contribution. However, if an employee is terminated because of conviction of any criminal offense or "for cause", the City shall have no obligation to continue the employment of the Department Head or pay severance pay. Any severance payment shall be contingent on the employee receiving the payment executing a release of all claims against the City, as permitted by State law.

- 8) ADMINISTRATIVE LEAVE ACCRUAL

80 hours per calendar year, prorated depending upon date of hire. No accumulation and may not be converted to cash.

- 9) PERSONAL HOLIDAYS

Three personal holidays per calendar year, prorated depending upon date of hire. No accumulation and may not be converted to cash.

10) VACATION ACCRUAL

Years of Employment	Vacation Days
1 and 2	12
3 and 4	14
5 through 9	17
10 through 19	22
20+	27

- a. The City Manager may place a new Department Head or Chief of Police at a specific accrual rate.
- b. Upon termination, payment will be made for all accumulated vacation to the separation date, at a rate equal to 100% of the current hourly pay rate.
- c. Vacation Cap: All hours in excess of 360 hours on the last pay period of April of any year will be cashed out. Exception will be for any employee under a previous agreement who has accumulated more than 360 hours as of January 1, 2011; employee may maintain that level of 504 hours provided however if that if accumulated vacation falls below 504 at anytime during the year, then that will be the new allowable level until employee reaches 360 hours.
- d. Optional Vacation Cash Out: In any calendar year, Department Head or Chief of Police may cash out up to 80 hours of accumulated vacation.

11) SICK LEAVE

Sick leave will accrue at a rate of 12 days per year. Unlimited accumulation and may not be converted to cash.

12) FLEXIBLE SPENDING ARRANGEMENT CONTRIBUTIONS

- a. Employees are eligible to enroll in a CalPERS medical plan, Dental and Vision Plan. The City reserves the option of adding additional health care plans as they may become available. The City makes a contribution on behalf of each qualified employee, listed below:

Effective Dates	Employee Only	Employee +1	Employee +2
First full pay period after ratification	\$1,000	\$1,850	\$2,250
First full pay period in July 2025	\$1,050*	\$1,925*	\$2,350*
First Full pay period in July 2026	\$1,100*	\$2,000*	\$2,450*

**Contingent on the City tax measure passing in November 2024*

- b. Cash Out: Employees who can verify to the City's satisfaction that they have group health coverage for medical (including dental and vision), which will remain in effect until the next enrollment date, will be eligible for a cash payment of \$250.00 per month. Employees who purchase a CalPERS Health Plan and dental and vision coverage, but do not use their entire monthly contribution, may use the remaining funds to purchase benefits other than medical (including

dental and vision) coverage. (If a cash payment is taken, it is not included in the employee's compensation for the CalPERS retirement plan).

13) FLEXIBLE SPENDING ACCOUNTS

The City offers a Healthcare Spending Account with an annual election limit of \$2,500 and a Dependent Care Spending Account with annual election limit of \$5,000.

14) RETIREMENT

a. CalPERS Retirement Benefits for Classic Members:

- i. Miscellaneous Classic Employees: The City participates in the California Public Employees' Retirement System (PERS). Benefits provided are detailed in separate publications. The City agrees to provide 2.5% at 55 Retirement Plan for eligible classic miscellaneous employees in the Unit and the single-highest-year option. Miscellaneous classic employees will contribute 13.392% of their reportable salary to PERS.
- ii. Safety Classic Employees: The City participates in the California Public Employees Retirement System (PERS). Benefits provided are detailed in separate publications. The City agrees to provide 3.0% at 50 Retirement Plan for eligible classic Safety employees in the Unit and the single-highest-year option. Sworn classic employees will contribute 14.974% of their reportable salary to PERS.

b. CalPERS PEPRA Employees:

- i. Individuals that have never been a member of any public retirement system prior to January 1, 2013, or
- ii. Individuals who moved between retirement systems with more than a six month break in service; and
- iii. In compliance with the California Public Employees' Pension Reform Act of 2013, (PEPRA), new members will receive a Local Miscellaneous benefit formula of 2% @ 62, Sworn will receive a benefit of 2.7% @ 55. Employees will contribute 50% of the normal cost as determined by CalPERS. The employee contribution from pay is on a pre-tax basis pursuant to 414(h)(2). Final compensation, for purposes of calculating the retirement benefit, is calculated on the highest average pensionable compensation earned by a member during a period of 36-consecutive months. This is also referred to as the 3-year average.

10) HOLIDAYS

Thirteen (13) Holidays per calendar year, as follows: New Year's Day, Martin Luther King, Lincoln's Birthday, Washington's Birthday, Memorial Day, Juneteenth, Independence Day, Labor Day, Indigenous Peoples Day, Veteran's Day, Thanksgiving Day, Friday following Thanksgiving, Christmas Day.

In addition, City Hall will be closed for one week during the Christmas holidays during which employees are permitted to use vacation, personal holiday or sick leave in order not to lose compensation.

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11) INSURANCE

The City provides short-term disability for non-sworn and long-term disability insurance for both as well as term life insurance in the amount of \$50,000

12) VEHICLE USE

The Chief of Police will be provided with a vehicle for commuting to and from work within Santa Cruz County and for business purposes.

15) UNIFORM

Chief of Police: City will purchase the initial uniform at a cost not to exceed \$2,500. City will pay for reasonable cleaning of the uniform at a cost not to exceed \$250/yr.

16) CHIEF OF POLICE RECRUITMENT

The City Council shall approve the recruitment process for the Chief of Police at a City Council meeting as recommended by the City Manager.